



0000095757

ORIGINAL



RECEIVED

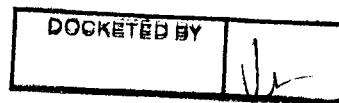
2000 NOV 17 A 9:46

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

NOV 17 2000



November 16, 2000

Arizona Corporation Commission  
Chairman Carl J. Kunasek  
Commissioner Jim Irvin  
Commissioner William A. Mundell  
1200 West Washington  
Phoenix, AZ 85007

Re: Proposed Environmental Portfolio Standard ("EPS") Rule 14-2-1618  
Docket No. RE-00000C-00-0377

Dear Chairman Kunasek, Commissioner Irvin and Commissioner Mundell:

This letter is to request that the Commissioners encourage the Chief Administrative Law Judge to take the necessary steps to implement the Environmental Portfolio Standard Rule ("EPS" Rule) by January 1, 2001.

The Public Hearing held on November 9, 2000 to take public comments from the Utilities Division Staff and Interested Parties on the EPS Rule demonstrated that most participants believe that the proposed Rule will achieve the objectives of the Commission without risk to the Affected Utilities or ratepayers. The following points summarize the public comment

1. The EPS Rulemaking was authorized in Commission Decision No. 62506 in May 2000 with the effective date of the EPS set as January 1, 2001. In anticipation of the January 1, 2001 start date, the Utilities and solar and renewable energy industry alike have begun to make investments and commit resources to respond to the requirements of the EPS.

**First Solar, LLC-Operations**  
28101 Cedar Park Boulevard  
Perrysburg, OH 43551 USA  
Ph: 419.662.8500, Fax: 419.662.8525  
[www.firstsolar.com](http://www.firstsolar.com)

**First Solar, LLC-Technology Center**  
12900 Eckel Junction Road  
Perrysburg, Ohio 43551 USA  
Ph: 419.872.7661, Fax: 419.872.7665  
[www.firstsolar.com](http://www.firstsolar.com)

**First Solar, LLC-Gov'n Affairs**  
6720 North Scottsdale Road, #355  
Scottsdale, AZ 85253 USA  
Ph: 480.607.2887, Fax: 480.596.3410  
[www.firstsolar.com](http://www.firstsolar.com), email [fsinfo@firstsolar.com](mailto:fsinfo@firstsolar.com)

Momentum and literally years of analysis and public participation are in favor of completing the Rulemaking. To slow the process now will cause a serious disruption of planning and implementation of the EPS by many participants.

2. There are adequate funds in the proposed surcharge to make a significant contribution to the EPS until at least 2004. In addition, costs for solar electric (PV) and other renewable technologies are coming down, and we believe these costs will continue to decrease.
3. The EPS surcharge is intended to be an "interim" rate for a new service, i.e., "environmentally friendly" power service. Thus any difficulties caused by a mismatch of funds for the utilities to meet the EPS requirements will be reviewed or addressed in a future rate case or other applicable proceeding. For instance, the proposed Rule includes a built-in Cost/Benefit Analysis action in 2003 to determine if the EPS costs are providing sufficient benefit to ratepayers.

Based on these considerations, we urge the Commissioners to direct the Hearing Officer to proceed on the following schedule:


- November 22, 2000 -Hearing Division docket the Proposed Order for interested parties to review;
- December 6 or 7, 2000 - Commission considers the Rule at a Special Open Meeting and orders implementation of the Rule on January 1, 2001, and signs the Order;
- By December 28 or 29, 2000, the Commission considers and acts on any Requests for Reconsideration;
- Direct Commission Staff to take all necessary steps to implement the Rule on January 1, 2001.

Not a single Interested Party at the hearing denied that the EPS Rule would achieve the Commissioners' objectives to catalyze economic development, provide environmental benefits to Arizona citizens, and provide greater diversity in the mix of electrical generation available in the State. The fact that the EPS is "interim", is capped, has sufficient flexibility and has stages of review will preclude impacts as experienced under the State's alternative fuels program.

The utilities and industry can work together to make the Environmental Portfolio Standard a success in Arizona and make it likely that other states will follow our lead.

Please continue the leadership you have shown in development of this Environmental Portfolio Standard and ensure that the EPS becomes effective January 1, 2001 as you ordered in Decision No. 62506.

Thank you,

A handwritten signature in cursive script that reads "Wm. Phillip Key".

Wm. Phillip Key  
Director, Government Affairs

cc: Commissioner-Elect Mark Spitzer